

State of Alaska FY2010 Governor's Operating Budget

Department of Fish and Game Commercial Fisheries Entry Commission RDU/Component Budget Summary

RDU/Component: Commercial Fisheries Entry Commission*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

To control entry into Alaska's commercial fisheries to promote conservation of Alaska's fishery resources and economic health of commercial fishing.

Core Services

- Limit entry into commercial fisheries.
- Issue and transfer annual commercial fishing permits and vessel licenses.
- Adjudicate appeals of actions including denials of applications and transfers.
- Study, analyze, and report on the economics and stability of commercial fisheries.
- Ensure reliable and timely access to fishery data.

End Result	Strategies to Achieve End Result
<p>A: Sound limitation decisions on which the fishing industry and the public can rely.</p> <p><u>Target #1:</u> Fully adjudicate claims to permits in the 68 presently limited fisheries by 2012.</p> <p><u>Status #1:</u> The Alaska Commercial Fisheries Entry Commission has fully adjudicated 44 of 68 presently limited fisheries at the end of 2007.</p>	<p>A1: Ensure all commission decisions are consistent with requirements of the Limited Entry Act and the Alaska Constitution.</p> <p><u>Target #1:</u> Annually, maintain a better than 90% success rate on appeals from Commission decisions to the Alaska Supreme Court.</p> <p><u>Status #1:</u> From 1995 through 2007, the Alaska Supreme Court affirmed the Alaska Commercial Fisheries Entry Commission on 88% of appeals from Commission decisions, just short of the 90% target.</p> <p><u>Target #2:</u> Annually, ensure that any Alaska Supreme Court reversals of Commercial Fisheries Entry Commission decisions are minor: that is, affecting only the individual appellant before the court and not the system.</p> <p><u>Status #2:</u> During 2007, the Alaska Supreme Court reversed the Commercial Fisheries Entry Commission only once on a factual issue affecting only the individual applicant before the court and issued zero decisions affecting the Limited Entry system on which the public relies.</p>
End Result	Strategies to Achieve End Result
<p>B: Reliable, expeditious licensing services and readily available information for the public.</p> <p><u>Target #1:</u> Increase annually by at least 15% the use of the Commercial Fisheries Entry Commission's website.</p> <p><u>Status #1:</u> The Alaska Commercial Fisheries Entry Commission recorded a 97.34% increase in visitors, 24.22% increase in hits and 45.68% increase in</p>	<p>B1: Timely and accurate processing and documentation of annual permit and license renewals, and of permit transfers.</p> <p><u>Target #1:</u> Process 90% of all vessel license and permit renewals within 3 days</p> <p><u>Status #1:</u> The Commercial Fisheries Entry Commission completed 96% of 28,416 renewals and duplicate</p>

<p>download MBytes over 2004 baseline data, partially meeting the target.</p>	<p>requests for commercial fishing licenses within 3 days during 2007, exceeding the target of 90%.</p> <p><u>Target #2:</u> Process 90% of all emergency transfer requests within 4 days.</p> <p><u>Status #2:</u> The Commercial Fisheries Entry Commission completed 97% of 766 emergency transfers of limited entry permits within 4 days during 2007, exceeding the 90% target.</p> <p><u>Target #3:</u> Process 90% of all permanent transfer requests within 5 days.</p> <p><u>Status #3:</u> The Commercial Fisheries Entry Commission completed 96% of 1,131 permanent transfers of limited entry permits within 5 days during 2007, exceeding the 90% target.</p> <p><u>Target #4:</u> Accurate processing of 95% of all permits, vessel licenses, and transfers during each year.</p> <p><u>Status #4:</u> The Commercial Fisheries Entry Commission accurately processed 99.7% of more than 30,000 commercial fishing permits, vessel licenses, and transfers during 2007, exceeding the 95% target.</p> <p>B2: Timely publication of research reports including the monthly permit value reports.</p> <p><u>Target #1:</u> Issue all 12 monthly permit value reports each year, within the first 7 days of the following month.</p> <p><u>Status #1:</u> The Commercial Fisheries Entry Commission issued 83.3% of monthly permit value reports within the first 7 days of the following month in 2007.</p>
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Major Activities to Advance Strategies

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|---|--|
| <ul style="list-style-type: none"> • Issue annual renewals of permits and licenses. • Conduct research necessary for limiting fisheries. • Determine whether to limit individual fisheries. • Conduct public input process for all regulatory actions. • Draft and adopt appropriate point systems for ranking permit applicants. • Make initial point determinations for applications for limited entry permits. • Adjudicate appealed decisions. | <ul style="list-style-type: none"> • Issue permanent and temporary permit transfers. • Conduct optimum number studies. • Respond to information requests. • Maintain up-to-date, extensive, accurate, accessible database of CFEC permits and licenses and general fisheries data. • Provide information to Board of Fisheries, fishery managers, and other agencies and policy-makers. • Maintain electronic transmission of information on fisheries convictions between court system and CFEC; issue demerit points and permit suspensions. |
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FY2010 Resources Allocated to Achieve Results

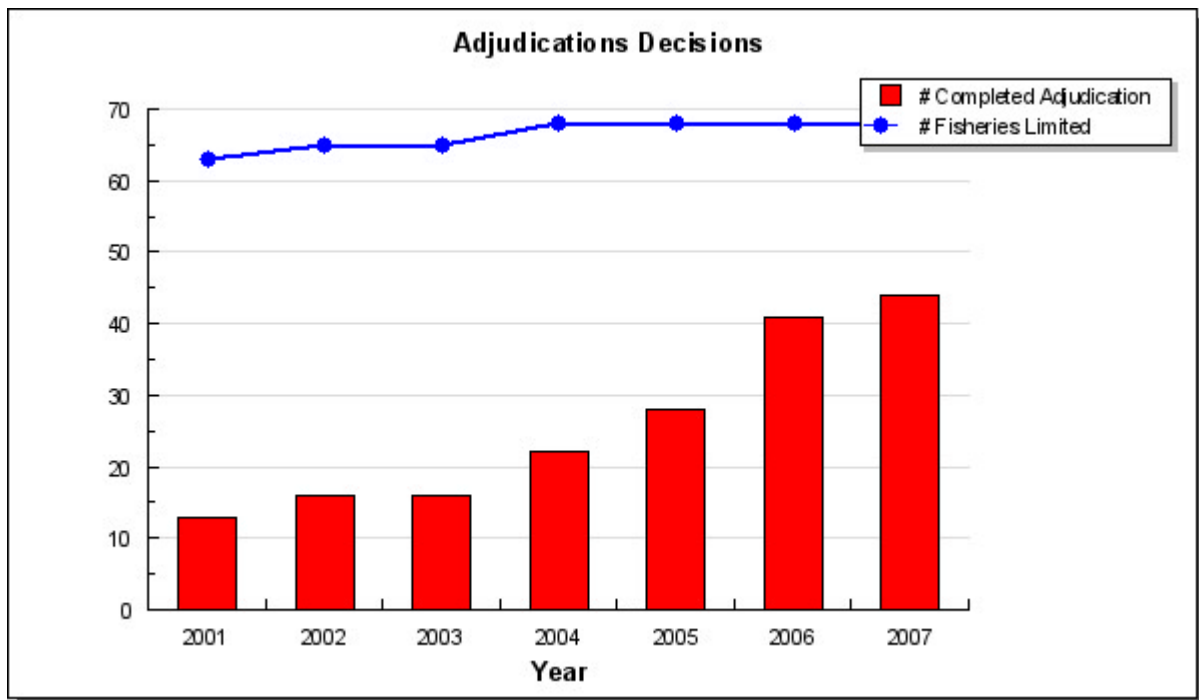
FY2010 Component Budget: \$3,954,700

Personnel:

Full time	29
Part time	4
Total	33

Performance

A: Result - Sound limitation decisions on which the fishing industry and the public can rely.

Target #1: Fully adjudicate claims to permits in the 68 presently limited fisheries by 2012.**Status #1:** The Alaska Commercial Fisheries Entry Commission has fully adjudicated 44 of 68 presently limited fisheries at the end of 2007.

Adjudications Decisions

Year	# Fisheries Limited	# Completed Adjudication	% Change
2007	68	44	64.7%
2006	68	41	60.3%
2005	68	28	41.2%
2004	68	22	32.4%
2003	65	16	24.6%
2002	65	16	24.6%
2001	63	13	20.6%

Analysis of results and challenges: The Alaska Commercial Fisheries Entry Commission (the Commission) has the statutory duty to limit entry into commercial fisheries when the statutory and constitutional requirements for doing

so are met. The Commission also has the statutory duty to adjudicate numerous claims to limited entry permits so that all applicants can be ranked against each other, in order to award permits to the individuals most dependent on a limited fishery.

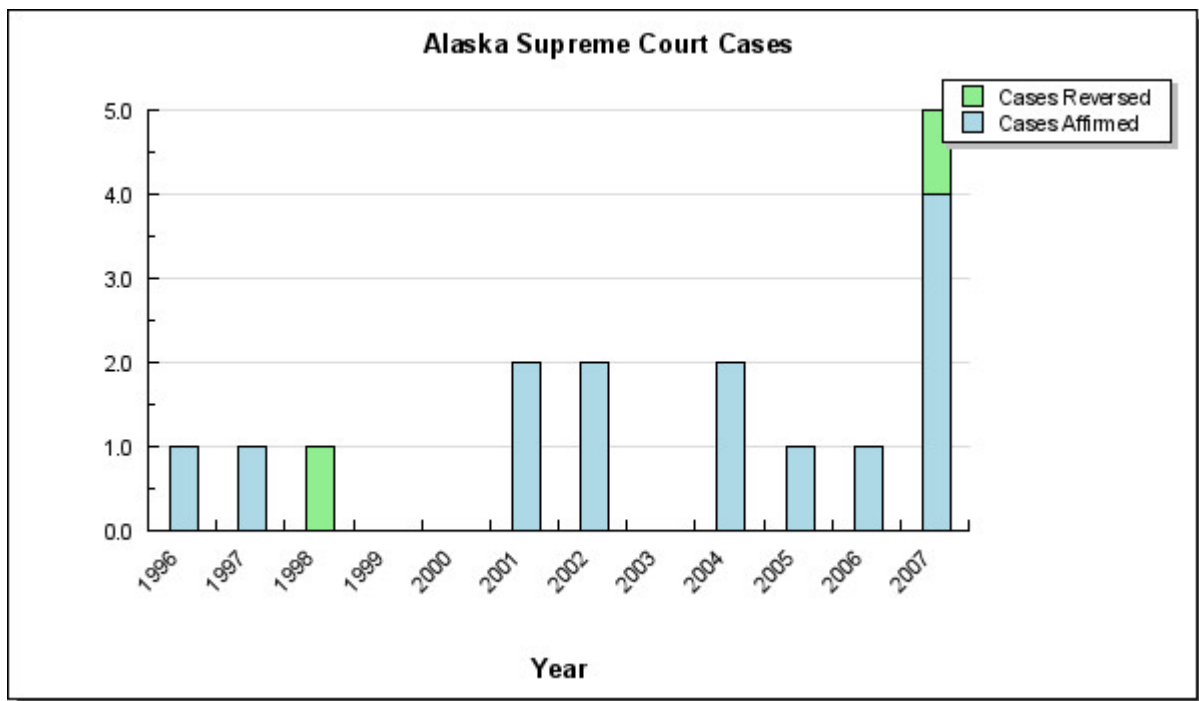
The Commission's ultimate goal is to complete adjudications in each limited fishery, but the number of limited fisheries is an upwardly moving target due to the Commission's continuing duty to limit additional fisheries.

As explained in the following analyses accompanying Strategy A #1, Targets #1 and 2, the quality of Commission decisions is critical, because their reversal by the Alaska Supreme Court can undermine the limitation of entire fisheries on which the fishing industry and the public rely. Consequently, the commission can never sacrifice quality for quantity in its decisions.

A1: Strategy - Ensure all commission decisions are consistent with requirements of the Limited Entry Act and the Alaska Constitution.

Target #1: Annually, maintain a better than 90% success rate on appeals from Commission decisions to the Alaska Supreme Court.

Status #1: From 1995 through 2007, the Alaska Supreme Court affirmed the Alaska Commercial Fisheries Entry Commission on 88% of appeals from Commission decisions, just short of the 90% target.



Methodology: Wholly affirmed in 14 out of 16 for an 88% success rate.

There were no decisions from the Supreme Court in years where there is no blue or green bar shown.

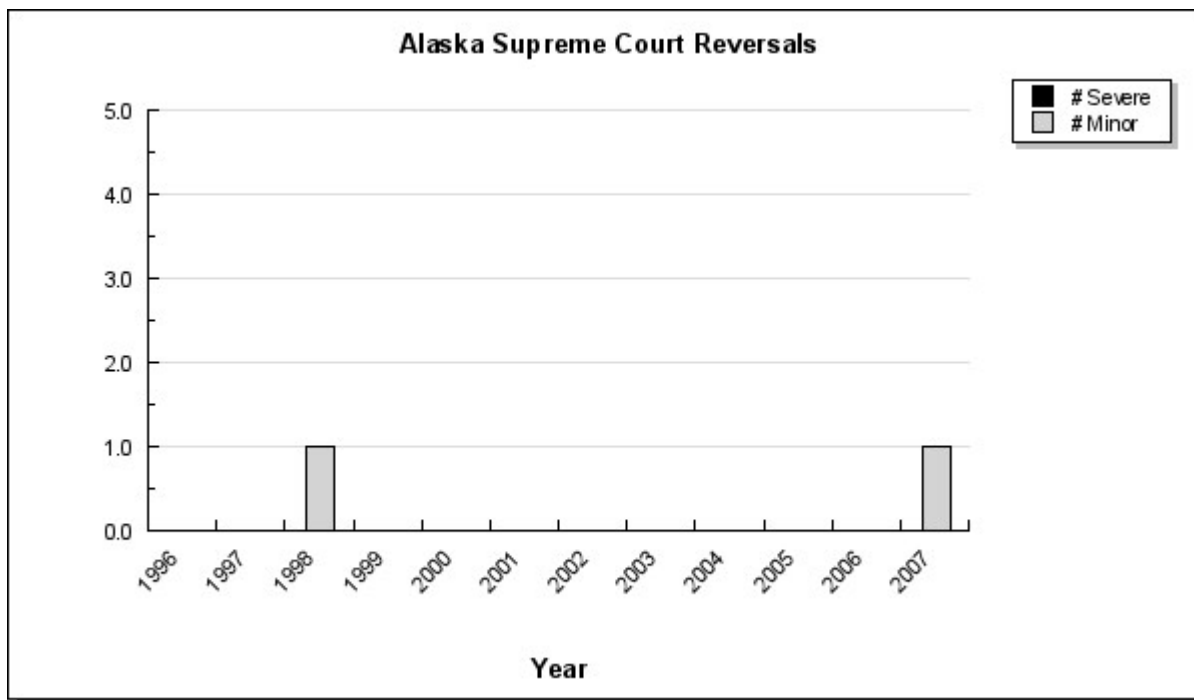
Alaska Supreme Court Cases

Year	Cases Affirmed	Cases Reversed
2007	4	1
2006	1	0
2005	1	0
2004	2	0
2003	0	0
2002	2	0
2001	2	0
2000	0	0
1999	0	0
1998	0	1
1997	1	0
1996	1	0

Analysis of results and challenges: As discussed more fully in the following analysis of Target #2, appeals to the Alaska Supreme Court by denied applicants can threaten fishery limitations on which the fishing industry and the public rely. Bad decisions by the commission can lead to reversals which could undermine such fishery limitations. The commission's success on such appeals is a measure of the quality of the commission's decisions. The commission is shooting for a better than 90% success rate. Going back 12 years (from 1996 through 2007), the commission has thus far achieved an 88% success rate on appeals by denied applicants to the Alaska Supreme Court. For purposes of this calculation, we count even a partial reversal as a reversal (the only two reversals reported were partial reversals).

Target #2: Annually, ensure that any Alaska Supreme Court reversals of Commercial Fisheries Entry Commission decisions are minor: that is, affecting only the individual appellant before the court and not the system.

Status #2: During 2007, the Alaska Supreme Court reversed the Commercial Fisheries Entry Commission only once on a factual issue affecting only the individual applicant before the court and issued zero decisions affecting the Limited Entry system on which the public relies.



Methodology: There have been no severe reversals and only two minor reversals since 1996.

Alaska Supreme Court Reversals

Year	# Minor	# Severe
2007	1	0
2006	0	0
2005	0	0
2004	0	0
2003	0	0
2002	0	0
2001	0	0
2000	0	0
1999	0	0
1998	1	0
1997	0	0
1996	0	0

Analysis of results and challenges: Some reversals by the Alaska Supreme Court are minor, affecting only the individual before the court. Normally, a minor reversal is limited to a factual determination.

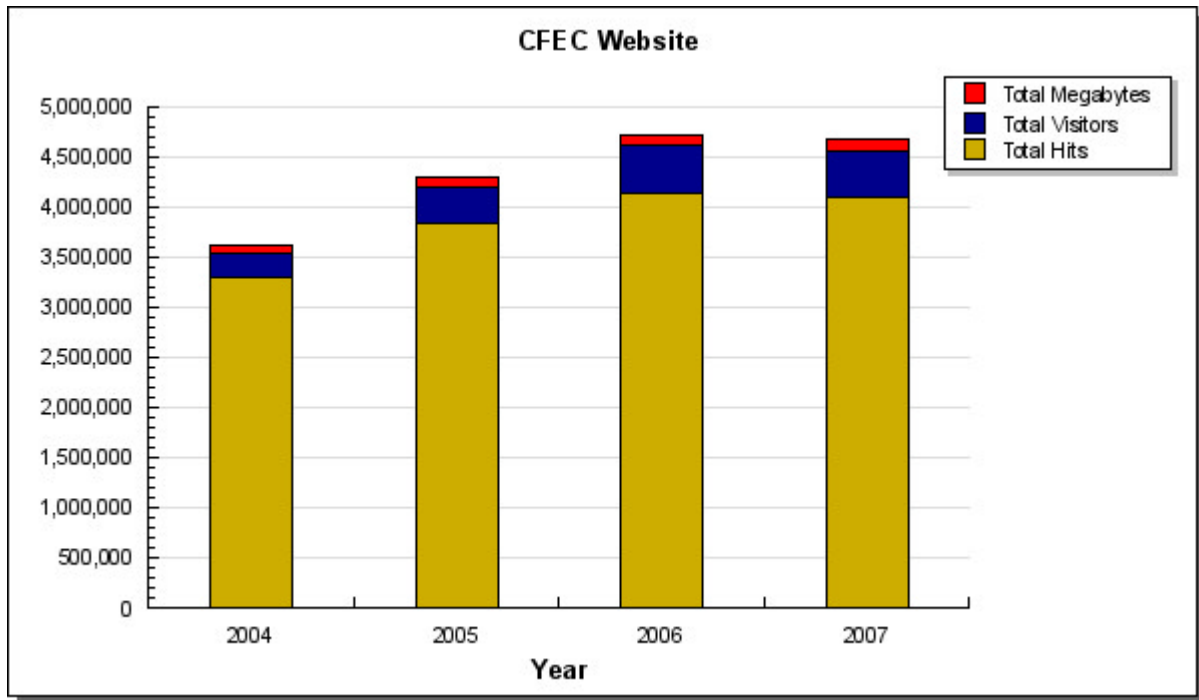
In contrast to minor reversals, the commission is the only agency in our experience to have had some reversals of its decisions applied retroactively by the Alaska Supreme Court to reverse prior commission decisions and to authorize new applications for limited entry permits long after the original application deadline. The risk of a retroactive application threatens to undermine the limitation of a fishery on which the fishing industry and the public rely. Reversals that undermine a limitation or a point system, or that would be applied retroactively to reverse prior commission decisions represent severe reversals.

Severe reversals can be extremely costly to the fishing industry, the public, the commission, and the State of Alaska. Therefore, by exercising great care in making commission decisions, the commission hopes to avoid entirely severe reversals, for which the commission's target is zero.

B: Result - Reliable, expeditious licensing services and readily available information for the public.

Target #1: Increase annually by at least 15% the use of the Commercial Fisheries Entry Commission's website.

Status #1: The Alaska Commercial Fisheries Entry Commission recorded a 97.34% increase in visitors, 24.22% increase in hits and 45.68% increase in download MBytes over 2004 baseline data, partially meeting the target.



Methodology: CFEC Information Technology website performance data from web statistics table.

CFEC Website

Year	Total Hits	Total Visitors	Total Megabytes	% Mbyte Change
2007	4,109,951	440,622	124,756	14.41%
2006	4,143,649	470,806	109,041	1.42%
2005	3,836,333	359,115	107,518	25.55%
2004	3,308,638	223,281	85,639	0

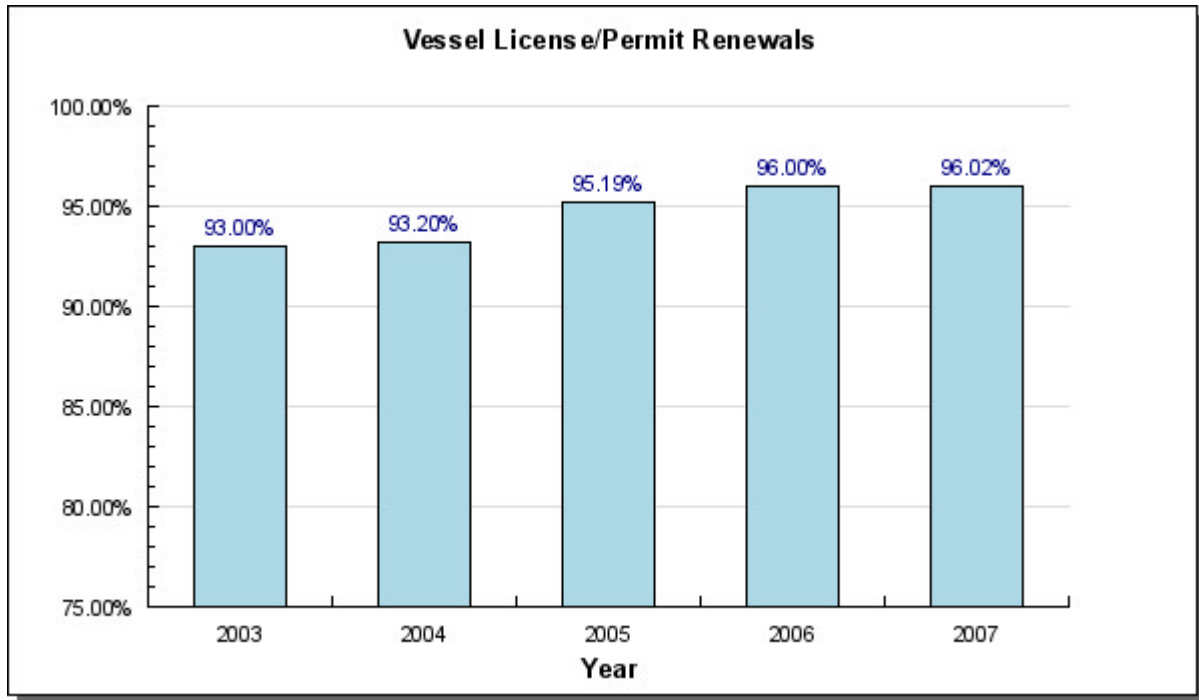
Analysis of results and challenges: The Commercial Fisheries Entry Commission has an obligation to provide timely and accurate data for public consumption. The Commission's IT (Information Technology) staff is dedicated to making sure relevant data is presented on our web site that is both easy to access for viewing and/or downloading and up to date. The volume of data that is physically accessed and downloaded is measured in megabytes, and directly reflects the public's desire, willingness and ability to access and make use of commercial fishery data. Our goal is to see this figure climb by 15% a year.

In 2007, the web site experienced 440,622 visitors, 4,109,951 hits and 124,756 MBytes of downloads compared to 223,281 visitors, 3,308,638 hits and 85,639 MBytes of downloads in 2004.

B1: Strategy - Timely and accurate processing and documentation of annual permit and license renewals, and of permit transfers.

Target #1: Process 90% of all vessel license and permit renewals within 3 days

Status #1: The Commercial Fisheries Entry Commission completed 96% of 28,416 renewals and duplicate requests for commercial fishing licenses within 3 days during 2007, exceeding the target of 90%.



Methodology: Information Technology Licensing performance measures reports from permit and vessel files

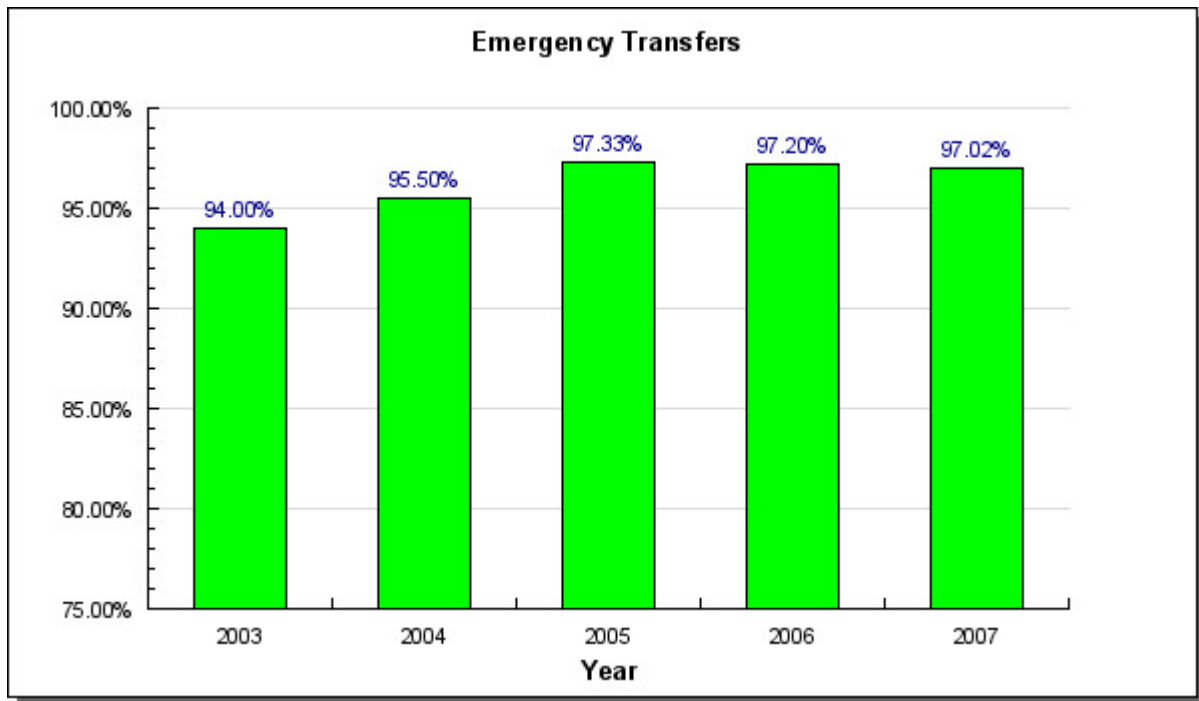
Vessel License/Permit Renewals

Year	% Within 3 days
2007	96.02%
2006	96.00%
2005	95.19%
2004	93.20%
2003	93.00%

Analysis of results and challenges: The licensing staff is dedicated to ensuring fishermen are able to get their gear in the water without delay. In the last two years, licensing has had a significant change in staff and has continued to excel. In the last five years licensing production has improved by 3%.

Target #2: Process 90% of all emergency transfer requests within 4 days.

Status #2: The Commercial Fisheries Entry Commission completed 97% of 766 emergency transfers of limited entry permits within 4 days during 2007, exceeding the 90% target.



Methodology: Information Technology Licensing performance measures reports from permit and vessel files

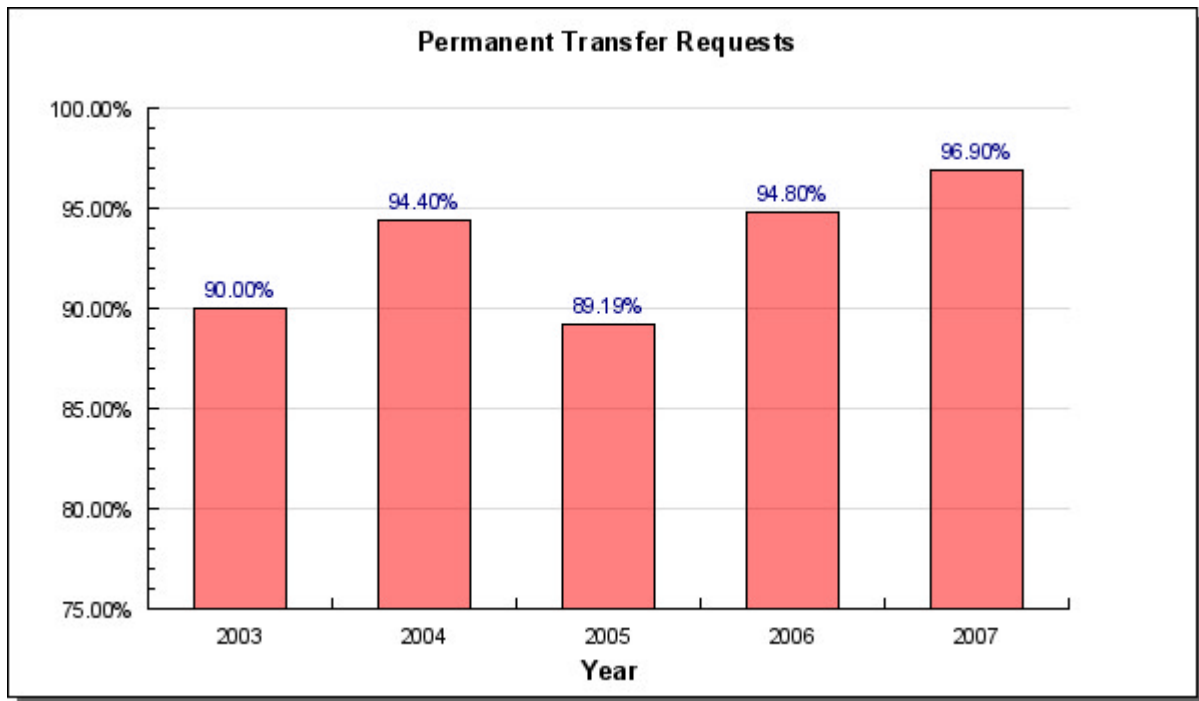
Emergency Transfers

Year	% Within 5 days
2007	97.02%
2006	97.20%
2005	97.33%
2004	95.50%
2003	94.00%

Analysis of results and challenges: The licensing staff processes an average of 774 emergency transfers yearly. The percentage of total emergency transfers processed in a year can fluctuate based on the stability of the fisheries. In the last 5 years licensing staff has maintained production above 90%

Target #3: Process 90% of all permanent transfer requests within 5 days.

Status #3: The Commercial Fisheries Entry Commission completed 96% of 1,131 permanent transfers of limited entry permits within 5 days during 2007, exceeding the 90% target.



Methodology: Information Technology Licensing performance measures reports from permit and vessel files

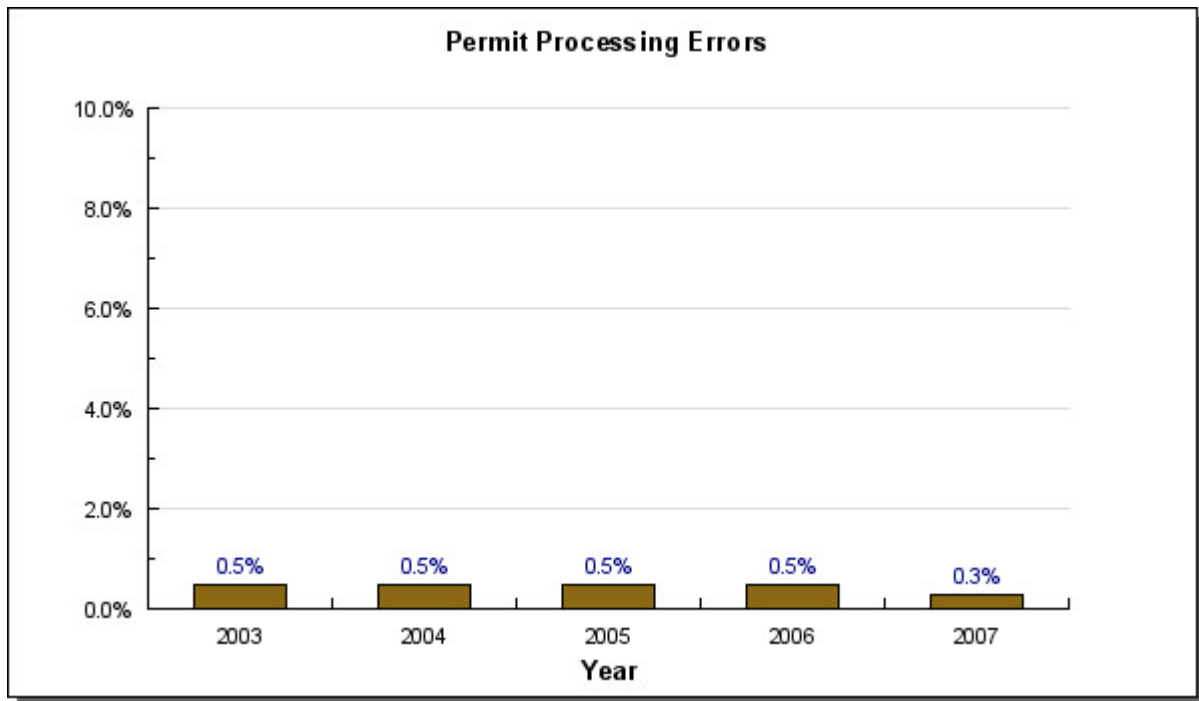
Permanent Transfer Requests

Year	% Within 5 days
2007	96.90%
2006	94.80%
2005	89.19%
2004	94.40%
2003	90.00%

Analysis of results and challenges: The licensing staff processes an average of 1080 permanent transfers yearly. The percentage of total permanent transfers processed in a year can fluctuate based on the permit values and the stability of the fisheries. In the last 5 years licensing staff has maintained production above 90%.

Target #4: Accurate processing of 95% of all permits, vessel licenses, and transfers during each year.

Status #4: The Commercial Fisheries Entry Commission accurately processed 99.7% of more than 30,000 commercial fishing permits, vessel licenses, and transfers during 2007, exceeding the 95% target.



Methodology: Information Technology Licensing performance measures reports from permit and vessel files

Permit Processing Errors

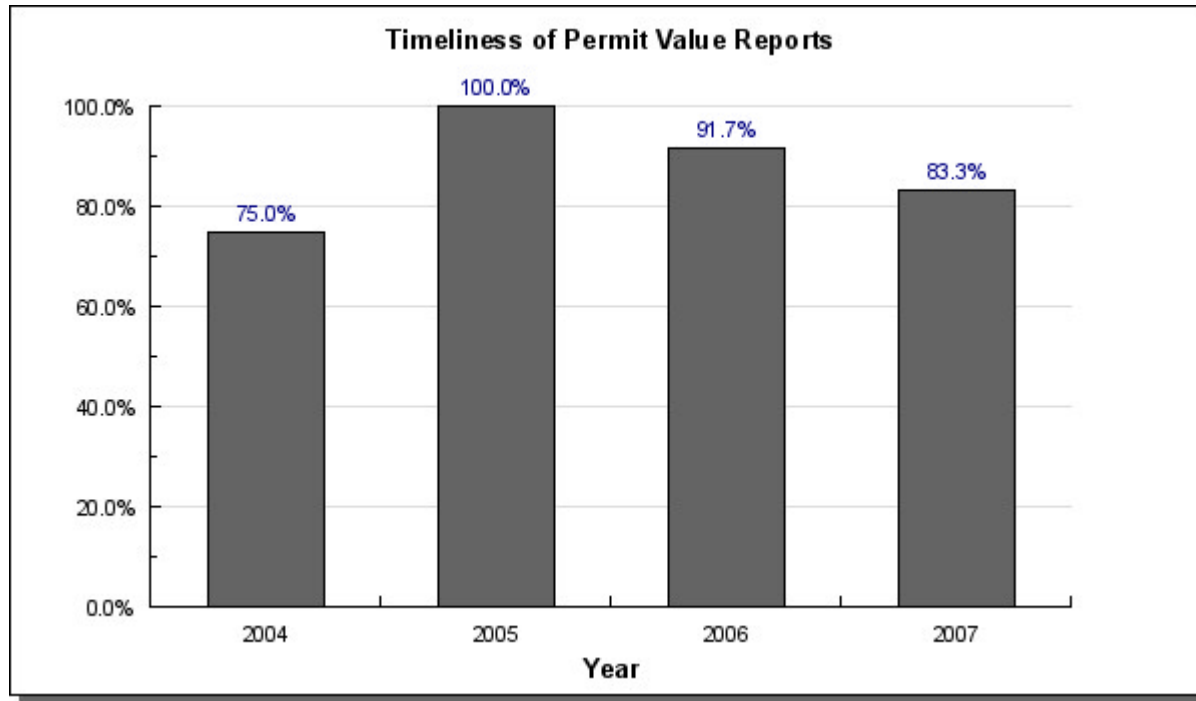
Year	% Processing Errors
2007	0.3%
2006	0.5%
2005	0.5%
2004	0.5%
2003	0.5%

Analysis of results and challenges: The licensing staff holds itself to high standards with accurate and efficient processing of permit renewals, vessel renewals, emergency transfers and permanent transfers each year. This ensures that when the fisheries open the fishermen are able to get their gear in the water.

B2: Strategy - Timely publication of research reports including the monthly permit value reports.

Target #1: Issue all 12 monthly permit value reports each year, within the first 7 days of the following month.

Status #1: The Commercial Fisheries Entry Commission issued 83.3% of monthly permit value reports within the first 7 days of the following month in 2007.



Methodology: Graph shows the percentage of monthly permit value reports that have been completed in the targeted time frame (first 7 days of each month)

Timeliness of Permit Value Reports

Year	Within 7 days	% Completed
2007	10	83.3%
2006	11	91.7%
2005	12	100.0%
2004	9	75.0%

Analysis of results and challenges: DCCED uses the commission's monthly permit value reports to help determine collateral values and allowable loan amounts under the State's revolving commercial fishing loan program. CFAB, permit brokers, and fishermen also rely on monthly updates that incorporate the previous month's transfer transactions. Meeting the 7 day target will ensure that the data are timely for users.

Key Component Challenges

The Commercial Fisheries Entry Commission's (CFEC or Commission) major challenge in FY2010 will be to meet its *Performance* targets and continue to deliver a high level of service to the Alaska fishing community to ensure Alaskan fishermen can continue fishing and earn a livelihood for themselves and those dependent upon them.

The evolution of electronic reporting is requiring the CFEC current licensing system to be updated. Substantial changes to the licensing system are being made to accommodate this new technology. The change is necessary to support our ability to respond to increasing fishery data demands, including real time validation of the permit holder during a landing and timely communication with other fishery management agencies. CFEC will be implementing an online licensing function and working with Alaskan fishermen, processors and other management agencies to improve response time and data reliability. Field testing and training will be necessary to facilitate implementation.

Gulf of Alaska (GOA) groundfish rationalization continues to present a major challenge to state water groundfish management. The CFEC Research Section is engaged in GOA groundfish analysis in anticipation of significant fishery changes in the management structure.

The Alaska Supreme Court has indicated that the State of Alaska may face a major liability in the future settlement of Carlson v. State. CFEC will be faced with a major challenge to identify and determine the amount of state liability to each individual fishermen who paid non-resident fees over a certain threshold since 1984. A major component of this determination will be to integrate low quality crew license data with CFEC permit data.

Significant Changes in Results to be Delivered in FY2010

Refinement of CFEC existing licensing system is necessary to accommodate advances in the rapidly changing field of information technology. CFEC is constantly changing to improve communication with its fishermen base and improve data reliability for management requirements.

Major Component Accomplishments in 2008

As part of the multi-agency e-Landing program, CFEC has upgraded its permit card technology to help facilitate electronic reporting. The Commission employed mag striping on the permit card to eliminate data entry errors and reduce the data entry burden imposed on processors and ADF&G staff using the e-Landing system.

CFEC completed a three year phase in of the new fee structure authorized by the legislature in 2005. The Commission now realizes self-sustaining revenue and is able to provide funds to the Alaska Fishermen's Fund and the Division of Commercial Fisheries.

The Commission completed and issued 101 decisions in fiscal year 2008, continuing to accomplish its goal of reducing the number of cases pending before the Commission.

CFEC Licensing Section implemented a new initiative that allows fishermen to fish the same day as they renew their licenses, thus facilitating their ability to rapidly engage in their fishery when renewing at a late date.

The CFEC Research Section began analysis of ADF&G crew license data needed for liability determination under Carlson v. State class action lawsuit.

A more detailed and extensive listing of CFEC activities can be found in the Commission annual reports located on our web site at www.cfec.state.ak.us.

Statutory and Regulatory Authority

AS 16.43.010-990

20 AAC 05.010 - 20 AAC 05.1990

Contact Information

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**Commercial Fisheries Entry Commission
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,832.5	3,217.9	3,270.0
72000 Travel	26.2	31.5	31.5
73000 Services	471.1	561.1	561.1
74000 Commodities	100.4	77.1	77.1
75000 Capital Outlay	96.9	15.0	15.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,527.1	3,902.6	3,954.7
Funding Sources:			
1002 Federal Receipts	0.0	114.4	114.4
1201 Commercial Fisheries Entry Commission Receipts	3,527.1	3,788.2	3,840.3
Funding Totals	3,527.1	3,902.6	3,954.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	0.0	114.4	114.4
Commercial Fisheries Entry Comm Rcpts	51132	3,527.1	3,788.2	3,840.3
Restricted Total		3,527.1	3,902.6	3,954.7
Total Estimated Revenues		3,527.1	3,902.6	3,954.7

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	114.4	3,788.2	3,902.6
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	52.1	52.1
FY2010 Governor	0.0	114.4	3,840.3	3,954.7

**Commercial Fisheries Entry Commission
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	29	29	Annual Salaries	2,191,203
Part-time	4	4	COLA	87,230
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,093,212
			<i>Less 3.01% Vacancy Factor</i>	(101,645)
			Lump Sum Premium Pay	0
Totals	33	33	Total Personal Services	3,270,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Adjudications Project Leader	0	0	1	0	1
Administrative Officer	0	0	1	0	1
Analyst/Programmer IV	0	0	2	0	2
Analyst/Programmer V	0	0	1	0	1
Clerk	0	0	1	0	1
Comm Fish - Permitting Ck II	0	0	1	0	1
Comm Fish Permit Clerk V	0	0	1	0	1
Comm Fish Permit Clerk VI	0	0	2	0	2
Comm Fish Permitting Ck III	0	0	2	0	2
Commissioner, CFEC	0	0	3	0	3
Data Systems Technician	0	0	1	0	1
Economist	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Fisheries Analyst	0	0	1	0	1
Hearing Officer II	0	0	3	0	3
It Data Processing Svcs Leader	0	0	1	0	1
Law Specialist III	0	0	1	0	1
Licensing Project Leader	0	0	1	0	1
Managing Paralegal	0	0	1	0	1
Microcomputer Technician	0	0	1	0	1
Network Specialist II	0	0	1	0	1
Paralegal I	0	0	1	0	1
Research Analyst II	0	0	1	0	1
Research Analyst III	0	0	2	0	2
Research&Planning Proj. Leader	0	0	1	0	1
Totals	0	0	33	0	33